

ECONOMIC POLICY IN PRACTICE

**INTERNATIONAL INFORMATION CENTRE
FOR LOCAL CREDIT**

ECONOMIC POLICY IN PRACTICE

THE ECONOMIC POLICY OF THE CENTRAL GOVERNMENT AND THE
INTERVENTION OF THE LOCAL AUTHORITIES
AND THEIR SPECIALIZED FINANCE INSTITUTIONS THEREIN

*Results of a study carried out
in different countries by the*
INTERNATIONAL INFORMATION CENTRE
FOR LOCAL CREDIT



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FOREWORD

Fluctuations in social prosperity, employment levels and production have long been objects of study. The many works which have been published on this subject give detailed descriptions of the phenomena which accompany these fluctuations, analyse the combinations of circumstances which can lead to upsets in the economic development of a country and examine the methods which can be applied to prevent undesirable variations in certain economic quantities. The present study does not pretend either to add to what is known of the nature and occurrence of trade cycles or to contribute to the theories regarding these, but relates solely to economic policy as applied in practice in a number of countries. The basis of the study is formed by the reports on this subject prepared at the request of the International Information Centre for Local Credit for the eighth conference of the Centre held in Amsterdam in 1965.

The International Information Centre for Local Credit is an institution set up in 1958 with the object of promoting the development of local authority credit by, inter alia, the study of subjects within the purview of the provision of credit to local authorities or closely connected with it. The membership of the Centre includes financial institutions specializing in local authority credit from fifteen different countries. The Centre enjoys consultative status B with the Economic and Social Council of the United Nations.

The greater part of the reports incorporated in this study were compiled at the Centre's request by member institutions, as follows:

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| Austria | by the Österreichische Kommunalkredit A.G. |
| Belgium | by the Crédit Communal de Belgique |
| Denmark | by the Kreditforeningen af Kommuner i Danmark |
| Federal Republic of Germany | by the Deutsche Girozentrale -Deutsche Kom- munalbank- |
| France | by the Caisse des Dépôts et Consignations |
| Italy | by the Cassa Depositi e Prestiti |
| Japan | by the Koei Kigyo Kinyo Koko (Finance Corpora- tion of Local Public Enterprise) |

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| Netherlands | by the Bank voor Nederlandsche Gemeenten |
| Norway | by the Kommunal Landspensjonskasse |
| Portugal | by the Caixa Geral de Depósitos, Crédito e Previdência |
| Spain | by the Banco de Crédito Local de España |
| United Kingdom | by the Institute of Municipal Treasurers and Accountants |

The report on the United States was compiled by the Centre's secretariat.

The reports on the individual countries are preceded by a general descriptive and analytic section, also compiled by the Centre's secretariat, which reviews the instruments available to the responsible authorities for the implementation of monetary and cyclical policy. Two chapters in this section deal with the influence of economic policy on the local authorities and the co-operation of the local authorities and their specialized finance organs in the carrying into effect of the policy.

We wish to record here our grateful thanks to Dr. H. J. Witteveen, at that time professor in the Netherlands School of Economics, Rotterdam, who at our request has read the report and has given us very useful remarks on the first part of this study, without of course bearing any responsibility for its contents.

We are also indebted to Mr. Lynn A. Stiles, senior economist Federal Reserve Bank of Chicago, for his readiness to read through the report on the United States.

We have been most glad to incorporate their comments in the final version of the text.

The Hague, March 1968.

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TABLE OF CONTENTS

| | |
|---|----|
| <i>Foreword</i> | v |
| PART I / <i>General considerations on the economic policy of the central government and the intervention of the local authorities and their specialized finance institutions therein</i> | |
| Introduction | 1 |
| The trade cycle in general | 3 |
| Introduction | 3 |
| Prosperity | 4 |
| The transition from prosperity to recession | 8 |
| Contraction | 9 |
| The transition to recovery | 9 |
| The background of economic policy | 10 |
| The instruments and points of application of present-day economic policy | 13 |
| The responsibility and organs for economic policy | 16 |
| The instruments for economic policy | 17 |
| Monetary instruments | 17 |
| The monetary policy of the central bank | 17 |
| The monetary policy of the central authorities | 22 |
| Non-monetary instruments | 24 |
| Local authorities and economic policy | 31 |
| The influence of local authorities' activities on the economic situation | 35 |
| The influence of the economic policy of the central authorities on the local authorities' economies | 36 |
| The co-operation of the local authorities in the economic policy of the central authorities | 37 |
| Local authority credit institutions and economic policy | 43 |
| PART II / <i>The economic policy of the central government and the intervention of the local authorities and their specialized finance institutions therein in different countries</i> | |
| AUSTRIA | 46 |
| Introduction | 46 |
| Responsibility for and the bodies involved in the economic policy | 50 |
| The central bank | 50 |
| The Federal Government | 51 |

| | |
|---|-----------|
| The Chambers | 52 |
| The Austrian Federation of Trade Unions and the Austrian Association of Industrialists | 53 |
| The Joint Prices and Wages Commission | 53 |
| The Consultative Committee for Economic and Social Matters | 53 |
| The Austrian Institute for Economic Research | 54 |
| The instruments for the economic policy | 55 |
| Monetary instruments | 55 |
| Monetary instruments of the central bank | 55 |
| Bank-rate policy | 55 |
| Open market policy | 57 |
| Minimum deposit policy | 58 |
| Credit restriction | 58 |
| Other instruments | 59 |
| Monetary instruments of the central authorities | 60 |
| Non-monetary instruments | 62 |
| Budgetary policy | 62 |
| Budget expenditure | 62 |
| Budget revenues | 64 |
| Transfer and subsidy policy | 66 |
| Wage policy | 67 |
| Price policy | 68 |
| The municipalities and the economic policy | 69 |
| The institutions for local credit and the economic policy | 72 |
| BELGIUM | 76 |
| Introduction | 76 |
| Responsibility for the economic policy | 77 |
| The bodies involved in the economic policy | 78 |
| The Government | 78 |
| The Economic Planning Bureau | 78 |
| The Central Council of the Economy | 78 |
| The Banque Nationale | 79 |
| The Interest Fund | 79 |
| Local authorities | 79 |
| The instruments for the economic policy | 79 |
| Direct controls | 79 |
| Price controls | 79 |
| Wage controls | 79 |
| Quantity controls | 80 |
| The public finances | 80 |

| | |
|---|-----------|
| Budgetary policy | 80 |
| Fiscal measures | 80 |
| Public expenditure | 80 |
| Credit | 81 |
| The municipalities and the economic policy | 82 |
| Subsidy policy | 84 |
| Spreading of local works | 85 |
| The Crédit Communal de Belgique and the economic policy | 86 |
| DENMARK | 88 |
| Introduction | 88 |
| Responsibility for the economic policy | 88 |
| The bodies involved in the economic policy | 88 |
| The central Government | 88 |
| The National Bank of Denmark | 89 |
| The local authorities | 89 |
| The Economic Co-ordination Council | 89 |
| The instruments for the economic policy | 89 |
| Monetary instruments | 89 |
| Monetary policy of the National Bank | 89 |
| Monetary policy of the central Government | 89 |
| Non-monetary instruments | 90 |
| Regulation of government expenditure and revenue | 90 |
| Transfer | 90 |
| Wage-fixing | 90 |
| Government control of building operations | 91 |
| The municipalities and the economic policy | 91 |
| Local authority credit institutions and the economic policy | 91 |
| FEDERAL REPUBLIC OF GERMANY | 92 |
| Introduction | 92 |
| Responsibility for the economic policy | 92 |
| The bodies involved in the economic policy | 93 |
| The instruments for the economic policy | 94 |
| The instruments of the central bank | 94 |
| Bank rate policy | 94 |
| Minimum reserve policy | 95 |
| Open market policy | 96 |
| Other instruments of the Deutsche Bundesbank | 97 |
| The administration's instruments of economic policy | 99 |
| Preliminary comment | 99 |

| | |
|--|---------|
| Foreign economic policy | 99 |
| Wage policy | 100 |
| Price policy | 100 |
| Financial policy | 100 |
| Policy of moral suasion | 102 |
| The municipalities and the economic policy | 102 |
| The local authority credit institutions and the economic policy | 104 |
| FRANCE | 105 |
| Introduction | 105 |
| Bodies responsible for the economic policy | 108 |
| The preparation of the economic policy | 109 |
| Procedure for adopting the economic policy | 110 |
| Application of the economic policy | 111 |
| The instruments for the economic policy | 112 |
| Action on the short and medium-term money market | 112 |
| Modification of the issue bank's discount rate | 112 |
| Action on the degree of liquidity of the economy | 112 |
| Restriction of credit | 114 |
| Recourse to long-term borrowing | 114 |
| Regulation of consumer credit | 114 |
| Exchange rate policy | 115 |
| Non-monetary instruments | 116 |
| Budgetary policy | 116 |
| Policy with regard to social benefits and economic subsidies of a social nature | 116 |
| Wages policy | 117 |
| Prices policy | 118 |
| Price-pegging, either compulsory or recommended | 118 |
| Recourse to foreign competition | 119 |
| The granting of subsidies enabling goods to be sold below cost price | 119 |
| Measures designed to facilitate competition between sellers | 119 |
| Policy with regard to investments and their long-term finan- cing | 119 |
| The municipalities and the economic policy | 122 |
| The incidence of the central government's economic policy on the local finances | 122 |
| The aim of economic measures applied by local authorities | 123 |
| Brief analysis of the budgets and transactions of the local authorities | 125 |

| | |
|---|---------|
| Current expenditure | 125 |
| Receipts from taxation | 126 |
| The transactions of the local authorities | 127 |
| The manner of State intervention in the investments of local authorities | 129 |
| Subsidies | 130 |
| Loans – part played by the Caisse des Dépôts et Consignations | 130 |
| The regulation of local authorities' purchasing | 132 |
| Appendix – The stabilization programme of 12 September, 1963 . | 133 |
| Monetary policy | 133 |
| Inflows of foreign exchange | 133 |
| Credit policy | 134 |
| Budgetary policy | 134 |
| Prices policy | 135 |
| Improvement of the distribution circuits and public purchasing | 135 |
| ITALY | 136 |
| Introduction | 136 |
| The responsibility of the various bodies for the economic policy | 139 |
| The Interministerial Committee for Credit and Savings | 140 |
| The Bank of Italy | 141 |
| The instruments for the economic policy | 141 |
| Monetary instruments | 141 |
| Non-monetary instruments | 143 |
| Investments | 144 |
| The Cassa Depositi e Prestiti and economic policy | 145 |
| JAPAN | 148 |
| Introduction | 148 |
| Responsibility for the economic policy | 152 |
| Bodies involved in the economic policy | 152 |
| The central Government | 152 |
| The Bank of Japan | 153 |
| Local public bodies | 153 |
| The instruments for the economic policy | 153 |
| Monetary instruments | 154 |
| Monetary instruments of the Bank of Japan | 154 |
| Lending policy | 154 |
| Discount rate policy | 154 |
| Credit Ceilings System | 154 |
| Open market operation | 155 |

| | |
|---|---------|
| Reserve Deposit Requirement System | 156 |
| Other instruments | 157 |
| Monetary instruments of the central Government | 158 |
| Policy in respect of debts | 158 |
| Government Investment and Loans Programme | 165 |
| Non-monetary instruments | 167 |
| Fiscal policy | 167 |
| Income distribution and social security activities | 168 |
| Price policy | 169 |
| Taxation policy | 169 |
| Municipalities and the economic policy | 171 |
| The influence of the central bodies' economic policy on the economies of the municipalities | 171 |
| The nature and the present conditions of local finance | 171 |
| Local Public Finance Programme | 173 |
| Local Bond Issue Programme | 174 |
| The co-operation of the municipalities in the carrying out of the measures taken within the framework of the national economic policy | 175 |
| Local debt finance institutions and the economic policy | 175 |
| THE NETHERLANDS | 178 |
| Introduction | 178 |
| Responsibility for the economic policy | 180 |
| The bodies involved in the economic policy | 181 |
| The Government | 181 |
| The Nederlandsche Bank | 181 |
| Local authorities | 181 |
| The Stichting van de Arbeid (Foundation of Labour) | 181 |
| The Centraal Planbureau (Central Planning Bureau) | 182 |
| The Sociaal-Economische Raad (Social and Economic Council) | 182 |
| The instruments for the economic policy | 183 |
| Monetary instruments | 183 |
| Monetary policy of the central bank | 183 |
| Bank rate policy | 184 |
| Open market policy | 184 |
| Cash reserve policy | 185 |
| Credit restriction | 186 |
| Qualitative credit policy | 186 |
| Quantitative credit policy | 186 |
| Other instruments | 187 |

| | |
|---|---------|
| Monetary policy of the central Government | 189 |
| The debt policy | 189 |
| Other instruments for the implementation of monetary policy | 190 |
| Restriction of consumer credit | 190 |
| Accelerated or delayed collection of taxes | 191 |
| Non-monetary instruments | 191 |
| Budgetary policy | 191 |
| Expenditure policy | 191 |
| Incomes policy | 194 |
| Wage policy | 195 |
| Price policy | 196 |
| Other instruments | 197 |
| The municipalities and the economic policy | 198 |
| The influence of the municipalities' activities on the economic situation | 199 |
| The influence of the economic policy of the central authorities on the municipal economies | 200 |
| The co-operation of the municipalities in the economic policy of the central authorities | 200 |
| The Bank voor Nederlandsche Gemeenten and the economic policy | 207 |
| NORWAY | 210 |
| Introduction | 210 |
| Responsibility for and the bodies involved in the economic policy | 211 |
| The State | 211 |
| The Bank of Norway | 212 |
| The Collaboration Committee | 212 |
| The State banks | 212 |
| The municipalities | 213 |
| The instruments for the economic policy | 213 |
| Monetary instruments | 213 |
| The credit agreements | 213 |
| Control of issue | 214 |
| Loans and advances budget for the State banks | 214 |
| Interest policy | 215 |
| Regulation of liquidity | 215 |
| Deposit reserves | 215 |
| Market operations | 215 |
| Non-monetary instruments | 216 |
| The finance policy | 216 |

| | |
|--|------------|
| The effect on demand | 216 |
| The effect on income | 217 |
| Wage and price policy | 217 |
| The municipalities and the economic policy | 218 |
| Local authority credit institutions and the economic policy | 220 |
| PORTUGAL | 222 |
| Introduction | 222 |
| General aspects | 222 |
| The Unemployment Fund and the Unemployment Board | 222 |
| The Labour Development Fund | 223 |
| The Economic Co-ordination Commission | 223 |
| The corporations | 223 |
| The Development Plans | 224 |
| The Council of Ministers for Economic Affairs | 224 |
| The Bank of Portugal and the Caixa Geral de Depósitos, Crédito e Previdência | 225 |
| The National Credit Council | 225 |
| The instruments for the economic policy | 225 |
| Monetary aspects | 225 |
| Non-monetary aspects | 228 |
| Budgetary policy | 228 |
| Price policy | 229 |
| Wages policy | 230 |
| The municipalities and the economic policy | 231 |
| SPAIN | 233 |
| Introduction | 233 |
| Responsibility for matters of economic policy; organs of the economic policy | 238 |
| The instruments for the economic policy | 239 |
| Monetary instruments | 239 |
| Instruments applied by the central bank | 240 |
| Types of discount | 240 |
| Open market policy | 240 |
| Quantitative and qualitative credit policy | 240 |
| Non-monetary instruments | 243 |
| The local authorities and the economic policy | 245 |
| The local sector | 245 |
| Ordinary expenditure | 247 |
| Capital expenditure | 248 |

| | |
|---|-----|
| Development of the local finances | 248 |
| The local authorities and regional development | 250 |
| The 1964-1967 investment programme and its financing | 254 |
| The Banco de Crédito Local de España and the economic policy | 256 |
| UNITED KINGDOM | 258 |
| Introduction | 258 |
| The main instruments of government policy | 259 |
| Control of public investment | 259 |
| Physical control | 260 |
| Fiscal policy | 260 |
| Monetary policies | 260 |
| The relationship between central and local government | 261 |
| Structure and functions of local government | 261 |
| Local government expenditure | 263 |
| The agencies of central and local government | 264 |
| The Treasury | 264 |
| Bank of England | 264 |
| The Department of Economic Affairs | 265 |
| Economic Planning | 265 |
| Industrial Policy | 265 |
| Economic Co-ordination | 265 |
| Regional Policy Group | 265 |
| National Board for Prices and Incomes | 265 |
| National Economic Development Council and Development Committees | 266 |
| Regional Economic Planning Councils | 266 |
| Public Works Loan Board | 266 |
| Ministry of Housing and Local Government | 267 |
| Financial control over local authorities | 268 |
| Specific controls | 268 |
| Capital expenditure | 268 |
| Capital finance | 268 |
| Taxation | 269 |
| Revenue expenditure | 269 |
| The present position | 269 |
| Future economic policy | 270 |
| The National Plan | 270 |
| Balance of payments | 270 |
| Industrial efficiency | 270 |
| Manpower policy | 271 |

| | |
|--|-----|
| Regional policy | 271 |
| UNITED STATES OF AMERICA | 272 |
| Introduction | 272 |
| Responsibility for the economic policy | 273 |
| The bodies involved in the economic policy | 274 |
| Congress | 274 |
| The Administration | 274 |
| The Federal Reserve System | 275 |
| The State Governments | 276 |
| Local government | 276 |
| The instruments for the economic policy | 277 |
| Monetary instruments | 277 |
| Monetary policy of the Federal Reserve System | 277 |
| Discount rate policy | 277 |
| Open market operations | 279 |
| Changes in reserve requirements | 280 |
| Selective credit regulation | 281 |
| Margin requirements on stock market credit | 281 |
| Consumer credit | 282 |
| Real estate credit | 282 |
| Other instruments | 282 |
| Monetary policy of the Federal Government | 283 |
| The debt policy | 283 |
| Other instruments for the implementation of monetary policy | 284 |
| Residential housing credit | 284 |
| The Interest Equalization Tax | 285 |
| Refunding of individual income tax | 285 |
| Non-monetary instruments | 285 |
| Budgetary policy | 286 |
| Expenditure policy | 286 |
| Incomes policy | 288 |
| Wage and price policy | 288 |
| Federal credit policy | 288 |
| Agricultural price support policy | 289 |
| State and local government and the economic policy | 289 |
| The Unemployment Insurance | 290 |
| The Area Redevelopment Act | 291 |
| The Urban Renewal Program | 291 |